

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Worcester Regional Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 6, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule has the total appropriation increase 9.95% each year until FY35. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

This schedule reflects a reduction in the investment return assumption from 8.0% to 7.75% and the adoption of a fully generational mortality assumption. Additionally, the salary increase assumption was adjusted to a select and ultimate table with ultimate rates of 4.25% and 4.75% for Groups 1 and 4 respectively. The prior assumption was a flat 3% annual increase for all employees.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.2 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002	Amortization Payment of ERI 2003	Amortization Payment of ERI 2010	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2017	\$19,490,160	\$25,759,369	\$1,303,703	\$255,606	\$5,769	\$46,814,607		\$774,603,682
2018	20,057,051	29,782,198	1,362,369	267,110	5,769	51,474,497	9.95%	806,791,487
2019	20,642,910	34,246,743	1,423,676	279,128	5,769	56,598,226	9.95%	837,303,027
2020	21,248,345	39,198,423	1,487,741	291,689	5,769	62,231,967	9.95%	865,555,059
2021	21,873,986	44,687,226	1,554,689	304,815	5,769	68,426,485	9.95%	890,872,713
2022	22,520,485	50,768,170	1,624,651	318,532	5,769	75,237,607	9.95%	912,477,722
2023	23,188,500	57,507,570	1,697,760	332,866	-	82,726,696	9.95%	929,475,286
2024	23,878,726	64,960,515	1,774,157	347,845	-	90,961,243	9.95%	940,839,396
2025	24,591,869	73,206,092	1,853,997	363,499	-	100,015,457	9.95%	945,396,458
2026	25,328,658	82,324,975	1,937,425	379,855	-	109,970,913	9.95%	941,807,031
2027	26,089,842	92,405,930	2,024,611	396,949	-	120,917,332	9.95%	928,545,476
2028	26,876,194	103,546,622	2,115,718	414,812	-	132,953,346	9.95%	903,877,260
2029	27,688,510	118,498,905	-	-	-	146,187,415	9.95%	865,833,700
2030	28,676,051	132,062,743	-	-	-	160,738,794	9.95%	812,183,829
2031	29,703,092	147,035,512	-	-	-	176,738,604	9.95%	740,554,360
2032	30,771,216	163,559,807	-	-	-	194,331,023	9.95%	648,116,153
2033	31,882,064	181,792,514	-	-	-	213,674,578	9.95%	531,675,506
2034	33,037,347	201,906,228	-	-	-	234,943,575	9.95%	387,631,334
2035	34,238,842	224,091,226	-	-	-	258,330,068	9.95%	211,927,593
2036	35,488,394	-	-	-	-	35,488,394	-86.26%	-
2037	36,787,930	-	-	-	-	36,787,930	3.66%	-
2038	38,139,448	-	-	-	-	38,139,448	3.67%	-
2039	39,545,026	-	-	-	-	39,545,026	3.69%	-
2040	41,006,826	-	-	-	-	41,006,826	3.70%	-
2041	42,527,099	-	-	-	-	42,527,099	3.71%	-
2042	44,108,183	-	-	-	-	44,108,183	3.72%	-
2043	45,752,511	-	-	-	-	45,752,511	3.73%	-
2044	47,462,611	-	-	-	-	47,462,611	3.74%	-
2045	49,241,115	-	-	-	-	49,241,115	3.75%	-
2046	51,090,759	-	-	-	-	51,090,759	3.76%	-

Worcester Regional Retirement System
Actuarial Valuation as of January 1, 2016